INTERNATIONAL INDIAN SCHOOL BURAIDAH

Worksheet for the Academic Year 2025-26

CLASS: 11 Worksheet-01 SUBJECT: ACCOUNTANCY

LESSON:1 INTRODUCTION TO ACCOUNTING

LESSON: 2 THEORY BASE OF ACCOUNTING

	CHAPTER-1: INTRODU	JCTION TO ACCOUNTING	
	Answer the following questions:		
Q1.	Which of the following is not the limitation	of accounting?	
		o. incomplete information	
	c. evidence in legal matters	d. omission of qualitative information	
Q2.	Book keeping is mainly concerned with	•	
	a. recording financial data relating to busine	ess transactions	
	b. classifying and summarising recorded da	ta	
	c. interpreting data for internal and users		
	d. all of above		
Q3.	The process of recording, classifying and su	mmarizing all business transactions in order to	
	know the financial result is called -	_	
	a. book – keeping	o. Journalising	
	8	d. None of these	
Q4.	Which one is the advantage of accounting?		
	a. replacement of memory		
	b. shows the present value of business		
	c. accounting does not record the price leve	l changes	
	d. accounting is not fully exact		
Q5.	Which is the last step of accounting as a pro		
	a. recording of data in the books of accounts		
	b. preparation of summaries in the form of	financial statements	
	c. communication of information		
0.6	d. analysis and interpretation of informatio		
Q6.	Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below: Assertion (A): The main objective of accounting is to maintain the records of the business		
	transactions.	nting is to maintain the records of the business	
	Reason (R): Accounting records all the tran	reactions whather related to money or not	
	a. Both Assertion (A) and Reason (R) are tru		
	explanation of Assertion (A).	ac and reason (iv) is the correct	
		ue but Reason (R) is not the correctexplanation	
	of Assertion (A).	de but neubon (ny 15 not the correctes plantation	
	c. Assertion (A) is true but Reason (R) is fals	se.	
	d. Assertion (A) is false but Reason (R) is tru		
Q7.		how the better position than what it actually is	
	called	•	
Q8.	Accounting measures the business transact		
Q9.	The book of original entry where financial transactions are recorded is termed as		
Q10.			
Q11.			
Q12.			
Q13.	Explain any three limitations of Accounting.	•	

- **Q14.** What is the process of Accounting?
- **Q15.** Explain the primary objective of Accounting.
- **Q16.** Only financial transactions are recorded in Accounting. Is this a limitation of Accounting? If yes, give reasons.
- **Q17.** What do you mean by Financial Accounting? Explain four main limitations of financial accounting.
- **Q18.** Discuss briefly the types of Accounting Information.
- **Q19**. Explain internal users of accounting information and their needs.

CHAPTER-2: BASIC ACCOUNTING TERMS

	Answer the following questions:		
Q 1.	Cash, goods or assets invested by the proprietor in the business for earning profit is called-		
	a. profit	b. capital	
	c. fixed assets	d. none of these	
Q 2.	The person, firm or institution who de services received is called-	oes not pay the price in cash for the goods purchased or the	
	a. creditor	b. proprietor	
	c. debtor	d.none of these.	
Q 3.	Which of the following is a liability?		
	a. furniture	b. rent payable	
	c. interested received	d. stock	
Q4.	The Trading and Profit and Loss Account is prepared under which attribute of accounting:		
	a. summarising	b. recording	
	c. classifying	d. analysis and interpretation	
Q5.	Which one of the following statement	is correct?	
	a. Income = Revenue -Expenses	b. Income = Expenses – Revenue	
	c. Expenses = Income - Revenue	d. Income= Profits – Expenses.	
Q6.	users are groups outside the business entity, who uses the information to ma		
	decisions about the business entity.	•	
Q7 .		e or sale of goods or any monetary transaction is called	
Q8.	The thing which is purchased and solo	d in the business is called	
Q9.	The things or properties which helps	in smooth functioning of the business and which are owned	
	by the business are calledof the business.		
Q10.	The unsold goods left at the end of the	e year is called	

_____discount is given on credit transactions only. Case Based Questions:

Q12. Read the following case study and answer the following questions:

Gopal started business for buying and selling of readymade garments with $\stackrel{?}{\stackrel{?}{$}}$ 8,00,000 as an initial investment. Out of this he paid $\stackrel{?}{\stackrel{?}{$}}$ 4,00,000 for the purchase of garments and $\stackrel{?}{\stackrel{?}{$}}$ 50,000 for furniture and $\stackrel{?}{\stackrel{?}{$}}$ 50,000 for computers and the remaining amount was deposited into the bank . He sold some of the ladies and kids garments for $\stackrel{?}{\stackrel{?}{$}}$ 3,00,000 for cash and some garments for $\stackrel{?}{\stackrel{?}{$}}$ 1,50,000 on credit to Rajesh.

Subsequently, he bought men's garments of ₹ 2,00,000 from Satish. In the first week of the next month, a fire broke out in his office and stock of garments worth ₹ 1,00,000 was destroyed. Later on, some garments which cost ₹ 1,20,000 were sold for ₹ 1,30,000. Expenses paid during the same period were ₹ 15,000. Gopal withdrew ₹ 20,000 from business for his domestic use.

i. What is the amount of capital with which Gopal started the business?

a. ₹ 3,00,000

b. ₹ 8,00,000

c. ₹ 2,00,000 d. ₹ 1,30,000

- ii. What fixed assets did he buy?
 - a. furniture ₹ 50,000 and computer ₹ 50,000
 - b. computer ₹ 50,000 and garments ₹ 2,00,000
 - c. furniture ₹ 50,000 and garments ₹ 2,00,000
 - d. none of these
- iii. Who is the creditor and state the amount payable to him?
 - a. Rajesh ₹ 2,00,000

b. Satish ₹ 1.50.000

c. Satish ₹ 2,00,000

d. none of these

iv. What is the amount of drawings of Gopal?

a. ₹ 20,000

b. ₹ 15,000

c. ₹ 50,000

d. none of these

- **Q13.** Explain the following terms with example:
 - i. Capital Expenditure

ii. Revenue Expenditure

- **Q14.** Distinguish between Trade discount and Cash discount.
- **Q15.** What are the Current Assets. Give any two examples of Current Assets.
- **Q16.** Explain the sales/ purchase include both cash and credit sales/ purchase.
- **Q17.** Define the following terms with example:

i. Revenue

ii. Drawings

iii. Profit

- **Q18.** Distinguish between opening stock and closing stock.
- **Q19.** Explain the Liabilities. What are the Non-Current and Current Liabilities?

CHAPTER-3: THEORY BASE OF ACCOUNTING

Answer the following questions:

Q1. During the lifetime of an entity accounting produce financial statements in accordance with which basic accounting concept:

a. conservation

b. matching

c. accounting period

d. none of the above

Q2. A concept that a business enterprise will not be sold or liquidated in the near future is known as:

a. going concern

Q3.

b. business entity

c. monetary unit d. none of the above

Meaning of credibility of going concern is : a. closing of business b. open

b. opening of business

c. continuing of business

d. none of these

- **Q**4. According to the Business Entity Concept
 - a. transactions between the business and its owners are not recorded
 - b. transactions between the business and its owners are recorded considering them to be one single entity.
 - c. transactions between the business and its owners are recorded from the business point of view d. none of the above
- Q5. X Ltd. follows the Written Down Value method of depreciating machinery year after year due to

a. going concern

b. cost

c. consistency

d. all of these

Q6. According to which of the following concepts, in determining the net income from business, all costs which are applicable to the revenue of the period should be charged against that revenue?

a. matching concept

b. money measurement concept

b. cost concept

d. dual aspect concept

Q7. Recognition of expenses in the same period as associated revenues is called ______concept.

- Q8. The accounting concept that refers to the tendency of accountants to resolve uncertainty and doubt in favour of understanding assets and revenues and overstating liabilities and expensesis known as _____.
 Q9. According to the______ principle, a business unit is separate from its owners.
 Q10. _____assumes that the enterprise will continue to exist for a foreseeable period.
- Q11. Case Based Questions:

Read the following case study and answer the following questions:

Olly and Robin are two friends graduated from a top college of the country. After the college, they decided to start a subscription service of fruits in the nearby cities. For obtaining high quality fruits, they made 5 years contracts with farmers in and around Karnataka. They also decided to purchase machinery for cleansing and quality check of the fruits. Two years down the line, they had built a strong brand and reputation. To leverage the same, the company decided to venture into other states as well as with the similar service line. They first expanded to Tamil Nadu and got great demand. While accounting, company usually booked a normal loss to account for spoiled fruits that they might get. Moreover, they charged depreciation on the machinery to ensure that expenses are distributed over the years. With all these good practices, after four more years of operations, the company attained a unicorn status.

i. Which AS will be applicable to evaluate the reputation and brand value of firm?

a. AS-20 b. AS-30 c. AS-26 d. AS-2

- ii. Which concept is highlighted in the fact that company made long-term contracts with the farmers?
 - a. Going concern conceptb. Accrual conceptc. Consistency conceptd. Both a and b
- iii. According to this concept, every transaction entered into by an enterprise has two aspects
 - a. Cost concept b. Dual concept c. Matching concept d. None of these
- iv. Ind-AS are
 - a. rule based accounting standards
 - b. principle based accounting standards
 - c. partially rule based and partially principle based accounting standards
 - d. none of these
- **Q12.** Under which accounting concept, a business enterprise will not be sold or liquidated in the near future. Explain it.
- **Q13.** How does the Matching Principle apply to depreciation?
- **Q14.** 'Closing Stock is valued at lower of cost or market price'. Which concept of accounting is applied here. Explain this concept.
- **Q15.** Under which accounting principle, quality of man power is not recorded in the book of account. Explain it.
- **Q16.** Explain the following accounting conventions:
 - i. Full Disclosure,
 - ii. Consistency,
 - iii. Materiality,
 - iv. Conservatism.
- **Q17.** Explain Accounting Standards briefly.

CHAPTER-4: BASES OF ACCOUNTING

Answer the following Questions:

Q1.	Under the Accrual Basis of Accounting, expenses are recorded
	a. on payment b. on being incurred
	c. either a or b d. none of these.
Q2.	Under the Cash Basis of Accounting, expenses are recorded
	a. on payment b. on being incurred
	c. either a or b d. none of these.
Q3.	Accrual Basis of Accounting recognises
	a. outstanding and prepaid expenses
	b. accrued incomes and incomes received in advance
	c. both (a) and (b).
	d. none of the above
Q.4	Accrual Basis of Accounting
	a. does not give a true and fair view of profit and financial position.
	b. gives a true and fair view of profit and financial position.
	c. may or may not give a true and fair view of profit and financial position.
	d. none of the above.
Q5.	What are the two bases of accounting?
	a. Cash basis b. Accrual basis
	c. Both a and b d. None of the above
Q6.	Read the following statements: Assertion (A) and Reason (R). Choose one of the correct
	alternatives given below:
	Assertion (A): Transactions are recorded in the books of account on cash being received
	or paid.
	Reason(R): When cash basis of accounting is followed, outstanding and prepaid expenses
	and income received in advance are not considered.
	a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct
	explanation of Assertion (A).
	b. Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct
	explanation of Assertion (A).
	c. Assertion (A) is true but Reason (R) is false.
	d. Assertion (A) is false but Reason (R) is true.
Q7.	There is a need for adjustment of prepaid/outstanding expenses inbasis of
	accounting.
Q8.	Adjustment is made for accrued income/income received in advance underbasis of
•	accounting.
Q9.	Accrual basis of accounting is more reliable thanof accounting.
	Under theof Accounting incomes are recorded on receipt.
	Under theof Accounting only credit transactions are recorded.
Q12.	
Q13. I	Discuss Accrual Basis of Accounting.
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